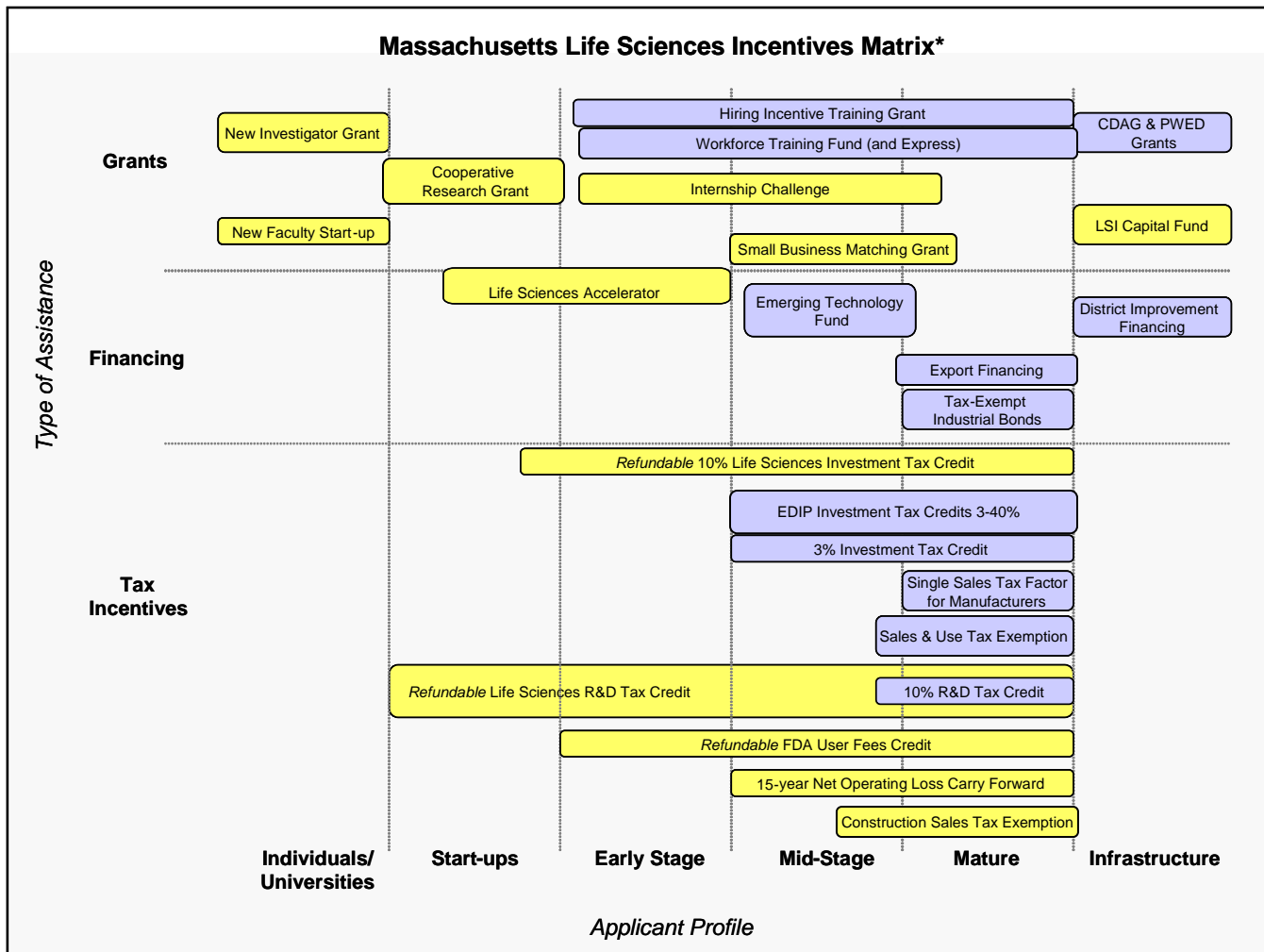


# Massachusetts Incentives

Massachusetts is the home of a life sciences cluster that is second to none. Complementing its outstanding biopharmaceutical and medical science companies, are more than 60 academic institutions that offer advanced degrees in life sciences, five of the top eight NIH-funded hospitals in the nation, and a workforce that offers unparalleled skills and productivity to employers. Massachusetts supports its innovative economy through an array of job creation incentive programs – including the landmark, \$1 billion Massachusetts Life Sciences Initiative.



\* The matrix includes a broad sampling of state business assistance programs, but it is not a comprehensive listing.



Indicates programs that are available through the \$1 billion Massachusetts Life Sciences Initiative. The programs are administered by a quasi-public agency, the Massachusetts Life Sciences Center.



Indicates programs that are administered by a variety of state and quasi-public agencies such as MassDevelopment, Massachusetts Office of Business Development, and Division of Career Services. Some tax treatments noted are available “by right” and require no application.

**What now?** Access our in-house economic development professionals, who can assist you navigate the many state agencies and programs available. MassBio membership allows you the opportunity to have a trusted industry advocate, with comprehensive knowledge of the Massachusetts economic development landscape, assist you as you begin to take advantage of the many development resources potentially available to you.

For additional guidance, contact MassBio at (617) 674-5130. [www.massbio.org](http://www.massbio.org)

## Massachusetts Life Sciences Initiative

Administered by the Massachusetts Life Sciences Center (MLSC)

**Cooperative Research Grant** - Supports industry-sponsored research at universities and facilitates scientific discoveries that lead to medical applications with grants of \$250,000 per year for up to three years, in a 1:1 match with its industry partner.

**New Faculty Startup Grant** - Targets investments to attract and retain nationally prominent faculty at Massachusetts' colleges and universities with grants of \$250,000 per year for up to three years, in a 1:1 match with the academic institution.

**New Investigator Grant** - Spurring innovative new research and advancing the careers of new investigators who are working on cutting-edge research at Massachusetts academic research centers with grants of \$100,000 per year for up to three years.

**Life Sciences Accelerator** - Financing, up to \$750,000, for early-stage companies to help leverage additional sources of capital.

**Small Business Matching Grant (SMBG)** - Grants provide "matching" support—capped at \$500,000 per company—to Phase II or Post Phase II SBIR or STTR grants already received by applicant companies.

**Life Sciences Tax Incentive Program** – Companies that are growing jobs, investments, and revenue are prospects for the nine distinct tax incentives of the LSI. To receive benefits, companies must apply to the MLSC to become a Certified Life Science Company. The incentives include:

- Refundable 10% Investment Tax Credit
- Extension of Net Operating Losses to 15 years
- Deduction for Orphan Drug Clinical Testing
- Refundable Research Tax Credit
- Refundable FDA User fee Credit
- Elimination of Sales Factor Throwback
- Special Sales Tax Exemption
- Life Sciences Research Credit
- Construction Sales Tax Exemption

## General Massachusetts Incentives

**Workforce Training Fund (WTF)** - Provides grants up to \$100,000 to upgrade skills of new or incumbent workers. The **Hiring Incentive Training Grant** provides up to \$2,000 in training funds for hiring eligible unemployed workers.

**Investment Tax Credit (ITC)** – A 3% ITC for investments in tangible depreciable assets to all state *manufacturers*. Massachusetts also provides a **Sales & Use Tax Exemption** for manufacturers and companies engaged in R&D.

**Economic Development Incentive Program** - Offers incentives in several ways:

- In municipalities that are Economic Target Areas, expansions can be assisted with locally-approved TIF agreements which are exemptions on the value added to a property in the expansion and a state-approved 3-5% Investment Tax Credit,
- For projects that result in 100 or more new jobs (Enhanced Expansion Projects), companies can be approved by the state for the Investment Tax Credits of up to 10%, without the need for any local approvals,
- For projects in select "Gateway Communities" that create 100+ jobs, companies can pursue both a local TIF agreement and state-approved Investment Tax Credits of up to 10%. Manufacturing Retention projects can receive up to a 40%.

**Research and Development Tax Credit** - Costs that qualify for the Federal R&D tax credit are eligible for a 10% Massachusetts R&D Tax Credit. A 15% R&D Tax Credit is available for costs related to university-based research.

**Single Sales Tax Treatment** - Provides a significant, relative advantage to Massachusetts manufacturers with multi-state operations. It apportions corporate income based solely on the ratio of in-state sales to total sales. Other states often use three factors – including wages and property - and double or triple weight in-state sales.

**Financing** – MassDevelopment, the state's economic development bank, provides an array of financing tools to assist growing companies. The Emerging Technology Fund can provide up to \$2.5 million in low-cost financing to eligible technology-based firms. MassDevelopment provides export assistance loans, equipment loans, and guarantees to growing manufacturers and is the state's purveyor of Tax-Exempt Industrial Development Bonds.

**Infrastructure Grants** - Municipalities can seek grant funds of up to \$2 million to assist with the costs of roadway, water, and sewer projects associated with job creation projects through the CDAG and PWED grants.

